

GRI summary report

Sustainability matters

An excerpt from the Electrolux Annual Report 2009



Thinking of you

 **Electrolux**

Contents

CEO statement	1
Electrolux offering	2
Electrolux business areas	3
Driving change	4
Treading lightly	6
Eco savings	8
People vision	9
GRI summary report	10
Strategy and analysis	10
Sustainability-related risks and opportunities	13
An inclusive approach	19
Management and performance	20

Annual report 2009

Sustainability matters is an excerpt from the Electrolux Annual Report 2009.



Part 1 describes Electrolux operations and strategy.

Part 2 consists of the financial review, sustainability report and corporate governance report.



Sustainability online includes a clickable index which allows readers to follow performance in accordance with the Global Reporting Initiative, www.electrolux.com/sustainability.



Contacts

Henrik Sundström
Vice President, Sustainability Affairs

Peter Nyquist
Vice President, Investor Relations and Financial Information

Sustainability Affairs
Tel.: +46 8 738 60 00
E-mail: sustainability@electrolux.se

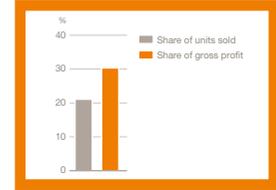
When achieving the Group's 2012 target to cut energy consumption in its operations, Electrolux will save approximately SEK 200m a year compared to 2005 energy costs.

Helping realize the Group strategy, page 4



Global sales in the Green Range, consisting of the Group's most energy- and water-efficient appliances, accounted for 21% of sold units in 2009 and 30% of gross profit.

Generating positive impacts on the bottom line, page 6



Electrolux is founded on the principles respect, diversity, integrity, ethics, safety and sustainability. They support a sustainable business culture and are strongly embedded into the Group's governance structure

Building a sustainable corporate culture, pages 9 and 13



For the third consecutive year, Electrolux ranked among the top 10% of the world's 2,500 largest companies in the Dow Jones Sustainability World Index for social and environmental performance.

In recognition of performance, page 13



Return on investment

The Electrolux business strategy is founded on consumer insight for developing innovative products, a strong brand and cost efficiency. Understanding and working with relevant environmental, social and wider economic factors are central to every aspect of the strategy. The Group's focus lies within four key areas:

A principled business – The Group's Foundation is respect, diversity, ethics, integrity, safety and sustainability, which are principles of conduct for employee and company alike.

Climate challenge – Through the three-part climate strategy, Electrolux strives to reduce carbon deriving from both products and business operations.

Responsible sourcing – Extending the Group's standards of conduct throughout the supply chain.

Restructuring – Both as a global company and local employer, the Group applies an open and transparent approach to decisions that affect stakeholders during restructuring.



Shaping a **green** market

Now more than ever, our business success is interconnected with innovating energy-savvy, resource-efficient appliances. Our performance this year demonstrates that by helping shape a more sustainable market, Electrolux can make a positive contribution *and* generate benefits to the bottom line.

Electrolux has a three-part climate strategy that connects a crucial cause with good business. It focuses on climate-smart products, communicating their benefits and streamlining energy use in our own operations.

Positive impacts on the bottom line

Despite tough economic conditions, sales in the Green Range, our most energy and water-efficient products, increased. Share of net sales of the Green Range in Europe rose to 20% of total units sold in 2009, compared to 18% in 2008, representing more than a quarter of our gross profit in Europe. We see the same trend globally. In 2010 the ranges will grow and new resource-efficient products will be added in all business sectors.

In our own operations, we exceeded our 2009 target to reduce energy use by 15% compared to 2005. We have set a new reduction target for 2012. Together, these targets will cut energy use by nearly 30% and save SEK 200m annually in energy costs, compared with 2005 consumption and cost levels.

The switch to energy-efficient

Getting people to switch to the most resource-efficient products remains a key challenge. Cutting-edge products already on the market can help us all lead more climate-smart lives. In Europe, however, one in three appliances in use is over ten years old and is energy-thirsty by today's standards. What's needed are strong market frameworks, including a global price on carbon emissions and financial incentives for consumers to purchase energy-lean appliances. I took part in some of the COP15 activities in Copenhagen with the message that governments, consumers, Electrolux and the environment would all benefit if incentives were applied to trigger green purchasing.

Building on our values

Climate is one important topic on our agenda. But not the only one. In 2009, we launched our vision and values program in part to further integrate sustainability into our business culture. For me, embedding high social and environmental standards throughout our daily operations is a crucial part of doing business well.



Listening and learning from others

Our world is changing fast, redefining the way we do business. Seeking the opinions of our stakeholders and sharing ideas with them allows us to better understand these changes. What's more, it helps us meet future expectations and respond to challenges ahead. Stakeholder engagement is a key focus area for us as we move forward.

Stockholm, March 2010

Hans Stråberg
President and Chief Executive Officer

Electrolux offering

Category

Products

CONSUMER DURABLES



For household kitchens throughout the world Electrolux sells cookers, ovens, refrigerators, freezers, dishwashers, hoods and small appliances. The increasing role of the kitchen as a meeting place for family and friends gives Electrolux a unique display area.



Washing machines and tumble dryers are the core of the Electrolux product offering for cleaning and care of textiles. Innovations and a growing preference for higher capacity, user-friendliness as well as lower consumption of water and energy are driving demand for Electrolux products.



Electrolux vacuum cleaners and accessories are sold to consumers worldwide. A strong, global distribution network and an attractive product offering are important competitive advantages. All production is located in low-cost countries.

PROFESSIONAL PRODUCTS



Electrolux sells a range of products for professional kitchens and laundries. High productivity, maximum utilization of resources and an extensive service network are key factors for purchases by professionals. Electrolux has a global presence, and is largest in Europe.

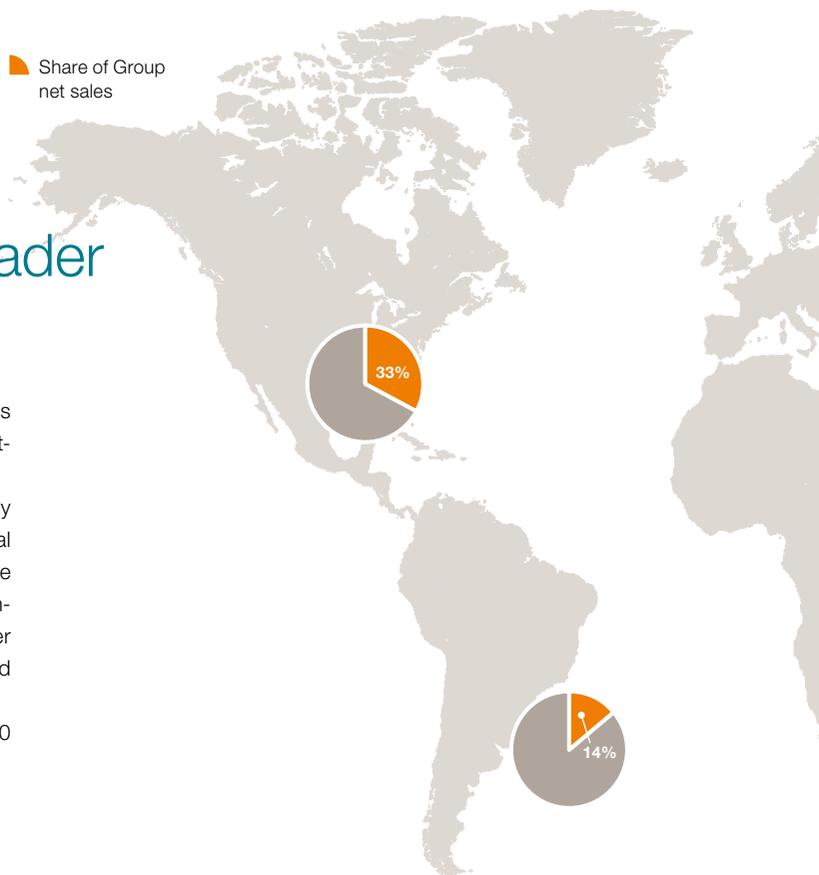
Electrolux – a global leader with a customer focus

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year.

The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux product range includes cookers, ovens, hoods, refrigerators, freezers, dishwashers, washing machines, tumble-dryers and vacuum cleaners under esteemed brands such as Electrolux, AEG-Electrolux, Eureka and Frigidaire.

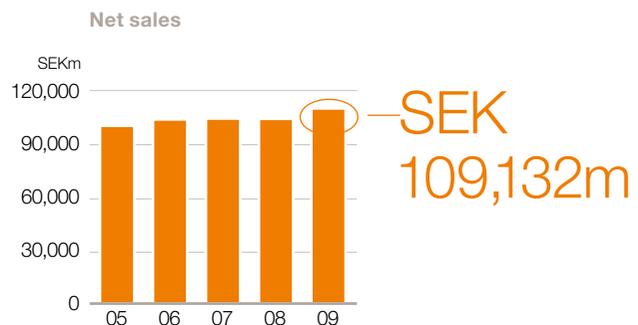
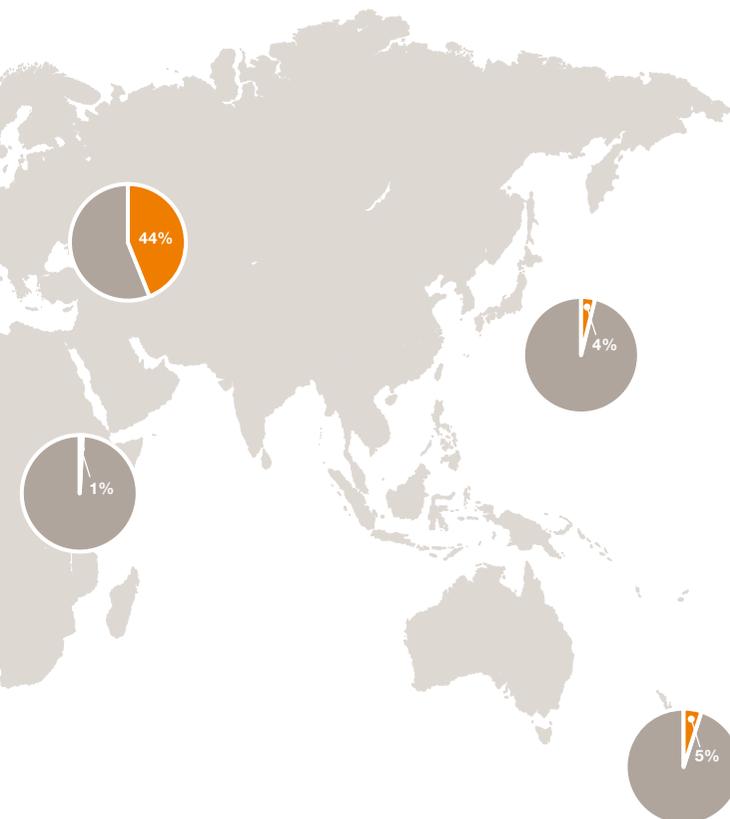
In 2009, Electrolux had sales of SEK 109 billion and 51,000 employees.

Share of Group net sales



Electrolux business areas

	Net sales	Operating income	Development 2009
Consumer Durables Europe			Operating income was substantially higher. Factors contributing to the improvement included a positive price and mix development and lower costs for raw materials. Personnel cutbacks and other cost-cutting measures also contributed to the improvement in income.
Consumer Durables North America			Operating income rose considerably, despite lower volumes. Factors contributing to the improvement in income included a positive price and mix development, higher internal efficiency and lower costs for raw materials. The re-launch of new products under the Frigidaire brand contributed to mix improvements.
Consumer Durables Latin America			Electrolux sales volumes showed a continued increase in comparison with 2008. Sales were substantially higher, and the Group captured additional market shares in Brazil. Operating income improved on the basis of positive price and mix development and lower costs for raw materials.
Consumer Durables Asia/Pacific and Rest of world			Sales rose on the basis of higher sales volumes and maintained price levels. Operating income showed an improvement as a result of positive development of raw materials and sales prices as well as cost-cutting programs. The operation in Southeast Asia continued to show good profitability.
Professional Products			Operating income and margin declined somewhat on the basis of weakening markets and lower volumes. The results continued to show a stable development, however.



1) Excluding items affecting comparability.

Building a trusted and engaged company is integral to business success.

Driving change

Sustainability plays an ever-more important role in realizing the Group strategy. Demand for products with outstanding environmental performance is growing. Meanwhile, consumers expect companies to offer solutions to today's global challenges.

Four main priorities have been identified:

A principled business

Climate challenge

Responsible sourcing

Restructuring

The Electrolux business strategy is founded on a strong brand, consumer insight to develop innovative products and cost-efficiency. Understanding and engaging in challenges such as climate change, constrained resources and the impacts of globalization are essential to succeeding in every aspect of this strategy.

Electrolux has integrated its work with sustainability throughout its operations. Adopting a sustainable approach to doing business helps differ-

entiate both products and the Electrolux brand, and generates positive impacts on the bottom line. When achieving the Group's 2012 target to cut energy consumption in its operations, Electrolux will save approximately SEK 200m a year compared to 2005 energy costs. Moreover, sales of its green ranges, consisting of the Group's most energy- and water-efficient appliances, accounted for 21% of sold units in 2009 and 30% of gross profit.

United Nations Global Compact

Electrolux supports the United Nations Global Compact. The UNGC brings together companies, UN agencies, labor and civil society to promote ten principles in the areas of human rights, labor, the environment and anti-corruption. All Electrolux policies, including the Code of Ethics, Workplace Code of Conduct, Policy on Countering Corruption and Bribery and Environmental Policy are in line with these principles.



DJSI World Index

The Group's sustainability performance helps attract and strengthen relations with investors. In 2009 and for the third year, Electrolux ranked among the top 10% of the world's 2,500 largest companies in the Dow Jones Sustainability World Index for social and environmental performance. As a result, asset managers with a total of USD 8 billion are recommended to invest in Electrolux.



A PRINCIPLED BUSINESS

A sustainable approach starts at home — with safe workplaces, mutual respect and common values, and operations that minimize negative environmental impact. At the same time, the Group aims to generate positive contributions to both people and the planet. Electrolux is founded on the principles ethics, integrity, respect, diversity, safety and sustainability, together with its core values (see page 9). These principles are based on universal ways of working that all employees must share and are firmly embedded into the Group's governance structure through the Electrolux Code of Ethics, Workplace Code of Conduct and Environmental Policy as well as Policy on Countering Corruption and Bribery. Training, follow-ups and integration into performance appraisals help instill these principles throughout the entire organization.

CLIMATE CHALLENGE

Electrolux has a three-part strategy to help tackle climate change that focuses on climate-smart products, consumer awareness, and energy efficiency in operations. Electrolux contributes positively to the climate challenge by innovating and promoting the most water- and energy-efficient and climate-smart products as well as raising awareness of their contribution in reducing consumers' carbon footprint. This makes business sense, too, since these products deliver higher profit margins.

Electrolux has also reduced its negative impacts with a target to cut energy consumption in operations by 15% by 2009. The target was exceeded and the Group emitted approximately 163,000 tons less carbon dioxide (CO₂) in 2009 than in 2005. A new target is in place to reduce energy an additional 15% by 2012 compared to 2008 (see graph).

RESPONSIBLE SOURCING

Environmental and social responsibility is woven into the Electrolux approach to the manufacture of its products, whether in Group factories or by suppliers. The Responsible Sourcing program builds transparent relationships with suppliers and helps improve labor and environmental conditions through audits, training, advising and reporting.

More than 3,700 companies supply Electrolux with products and components. For the Responsible Sourcing team, the focus is on regions posing challenges because of poor enforcement of national labor and environmental protection laws. The team is in place in Asia/Pacific, Eastern Europe and Latin America.

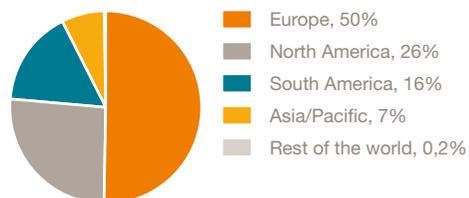
RESTRUCTURING

As a local employer and a global company, the decisions the Group makes affect individuals and local communities. Whether helping new operations leapfrog to new technologies or responsibly handling closures, Electrolux aims to do so in dialogue with those affected.

In the Group's restructuring program, more than 50% of production is being relocated to low-cost countries. Opening new plants in emerging economies creates economic, social and environmental benefits including new jobs, opportunities for local suppliers, and improved social and environmental standards.

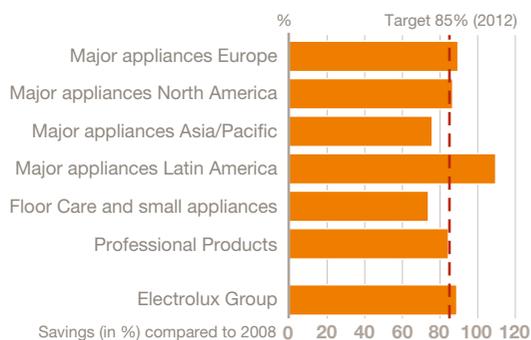
Closing operations is a difficult decision for all involved. The Group aims to be transparent and inclusive, with respect for the individual. During this process, Electrolux consults with labor unions, politicians and public authorities to develop new employment and training opportunities.

Employees by geographical area (GRI LA1)



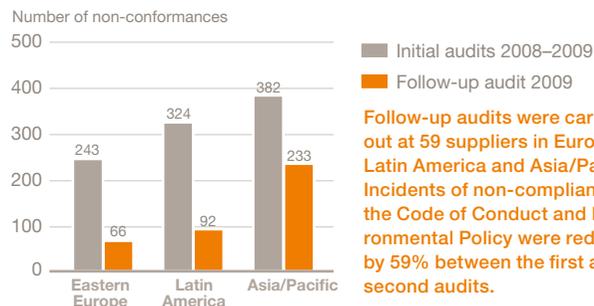
Electrolux has more than 50,000 employees. Wherever Electrolux operates in the world, it applies the same high standards and principles of conduct.

2012 Energy savings target (GRI EN18)



Electrolux will reduce its use of energy by close to 30% compared with 2005 consumption levels by achieving the two consecutive energy reduction targets in 2012.

Follow-up audit comparisons



Follow-up audits were carried out at 59 suppliers in Europe, Latin America and Asia/Pacific. Incidents of non-compliance to the Code of Conduct and Environmental Policy were reduced by 59% between the first and second audits.



The number of employees at the Olawa washing-machine plant in Poland rose from 540 in 2006 to 1,030 in 2009. At Olawa, all staff complete Code of Conduct training at induction.

Using a life-cycle approach, Electrolux is reducing its carbon footprint.

Treading **lightly**

By far, the Group's greatest potential to reduce CO₂ is to sell energy-lean products. Electrolux uses product life-cycle analyses to gauge and reduce its environmental impacts and recognize business opportunities.

Electrolux is committed to being part of the solution in reducing carbon emissions through leaner manufacturing, forward-thinking product innovation and design for efficient use and recycling. With the product life-cycle as its guide, Electrolux defined a three-part climate strategy to reduce energy use at every phase of a product's lifetime (see page 5). The main focus is on developing and promoting water- and energy-efficient products; as the greatest portion of the Group's carbon footprint occurs when products are in operation.

When products are in operation 76% carbon impact

The energy used by a washing machine during operation emits approximately 1 ton of CO₂ in a typical ten-year life span.

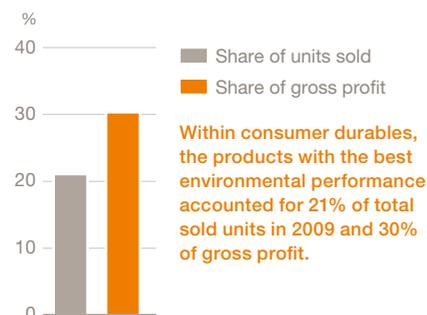
Through the green product ranges, each business sector is innovating and promoting a product offering that is water- and energy-efficient, with climate-smart features. The products' contribution to sales is reported annually. Eco Savings, an online calculator launched by Electrolux, shows consumers and policy-makers how resource-efficient appliances save both CO₂ and money.

www.electrolux.com/ecosavings



76%

Global Green Range



Product life-cycle of a washing machine

The Group's work in reducing its carbon footprint is guided by a product life-cycle approach, where carbon impact is measured during the entire life-cycle, from raw-material extraction, to manufacture, transport, use and finally end-of-life treatment.

Source: Öko Institut e.V.'s LCA of a washing machine, 2004.



End of life +4% (energy recovery)

Over 80% of a large appliance such as a washing machine can be recycled. Electrolux participates in take-back schemes in Europe. In accordance with the EU WEEE Directive, which defines producer responsibility for collection, treatment and disposal of electrical and electronic products, at least 75% of the material must be recycled. In the US, Electrolux cooperates with retailers such as Best Buy to encourage consumers to recycle their redundant appliances.



Materials 22% carbon impact

This equates to approximately 0.3 tons CO₂ for every product. As of 2010, Electrolux requires its suppliers to measure their energy consumption. Electrolux also develops applications for recycled plastics. Recycled plastics consume considerably less energy during manufacturing than virgin plastics. On average, the steel used in washing machines contains 60% recycled material.



Manufacturing 2% carbon impact

Group operations emit approximately 414,000 tons of CO₂ annually. Within the Green Spirit program, all Group facilities are engaged in achieving the target to reduce energy consumption 15% by 2012. In 2009, 163,000 tons less CO₂ were emitted into the atmosphere from operations compared with 2005. Other areas of impact include business travel, which in 2009 was reduced by 40% compared to 2008. Employees are encouraged to meet via video, audio and online conferencing facilities.



All Electrolux facilities display Green Spirit booths on energy targets and current status. This information helps mobilize employees to take part in efforts to cut energy.

Transportation less than 1% carbon impact

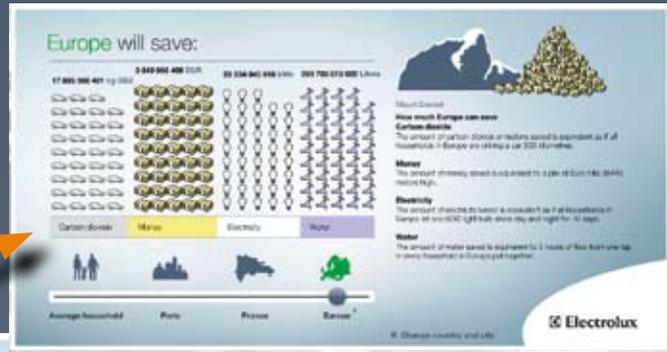
Electrolux is globally mapping modes of transport and the CO₂ impact throughout its operations in order to set reduction targets in 2010.



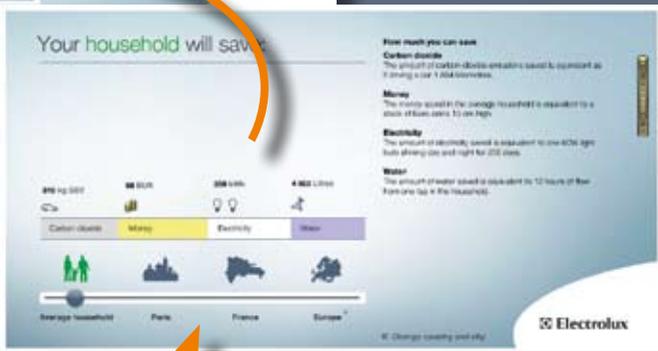
Tackle the climate challenge

ECCO SAVINGS

Consumers can reduce their carbon footprint as well as save energy and money by replacing for example their ten-year old laundry products with new ones. Electrolux Eco Savings helps consumers calculate how much their households can save by upgrading old appliances based on the country and city that they live in. Visit www.electrolux.com/ecosavings



The user can easily switch between monetary savings or energy or water savings. It is also possible to look at aggregated savings, should the entire country or Europe as whole upgrade their appliances.



The potential savings are presented based on the user's selection of country and city.

ecosavings

Household appliances can contribute to tackling climate change

You could do yourself and the environment a big favour when buying new household appliances by choosing energy-efficient and water-efficient products.

Every new generation of appliances put on the market by Electrolux is more energy efficient than the previous one. It's a win-win situation for the household economy and the global ecology. In other words, real Eco savings!

Here you can calculate how much energy, CO2, water and money could be saved if 10 year old household appliances would be replaced by the most efficient products available.

See how much you can contribute:

CHOOSE COUNTRY

CHOOSE CITY

CALCULATE

Electrolux

SEND TO A FRIEND

ELECTROLUX.COM/SUSTAINABILITY

People vision

The goal of the Electrolux People Vision is to have an innovative corporate culture with diverse, outstanding employees that drive change and go beyond in delivering on the Group's strategy and performance objectives.

The Electrolux corporate culture embodies the same values as when the company was founded by Axel Wenner-Gren: **Passion for innovation, Customer obsession and Drive for results**. In 2008, the Electrolux People Vision was defined in order to reinforce the innovative corporate culture. The diversity among personnel and a working climate that rewards creative thinking are extremely important.

Work on implementing and fulfilling the Electrolux People Vision continued during 2009. A number of tools are available to make this vision a reality:

- Leadership development
- Talent Management and succession planning
- OLM, an internal database for available jobs
- EAS, a web-based personnel survey

Group Staff Human Resources and Organizational Development continuously monitors a number of indicators that show how well the corporate culture is functioning within the organization.

Leadership development at all managerial levels

Electrolux maintains Group-wide leadership programs at all levels, from supervisors to senior management. The programs are designed to contribute to a common approach to leadership, irrespective of cultural differences. "The Executive", a new leadership program, was launched in 2009 for the 200 senior managers within the Group. It is aimed at accelerating implementation of the Group's strategy, driving work on change, and strengthening the image of Electrolux as a uniform, global company.

Managing a company that is undergoing change involves special requirements. In 2009, a separate leadership program focused

on change was offered in all regions. The program aimed at creating a uniform approach as well as identifying tools and methods for consistently driving change.

Talent Management ensures critical competence

Succession planning is an important component of Talent Management. Electrolux maintains a Talent Review Process in order to ensure that required competence is defined and internal talent is identified, utilized and prepared for new challenges. The process includes for example an annual evaluation of managers and specialists. In 2009, approximately 4,500 managers and specialists were evaluated throughout the Group, which was a record high.

OLM stimulates internal recruitment

Electrolux personnel share responsibility with the company for the individual's development and career. The company encourages mobility across the Group's worldwide working places and between different operations in order to enhance competence, generate new ideas and develop future leaders. The most important tool for increasing internal mobility is the Group's Open Labor Market (OLM) database, where all available office jobs are posted.

EAS reflects integration of the People Vision

The annual Employee Attitude Survey (EAS) is a web-based tool that encourages personnel to express their perceptions of Electrolux. The survey also enables employees to submit suggestions for improvements that could contribute to realizing the Electrolux People Vision.

Strong corporate culture

The Electrolux corporate culture and values comprise the foundation of the company's operations. These values include respect, diversity, integrity, ethics, safety and sustainability and are fundamental to all employees' relations with customers and colleagues throughout the world.

Fulfilling the Electrolux vision requires a clearly defined strategy and a strong corporate culture. The Group's operations feature a passion for innovation, consumer insight and a strong motivation to achieve results. This culture enables Electrolux to achieve its vision of being "world leader in making life simpler

and more enjoyable for people, by offering household products and professional products".

During 2009, Electrolux core values and basic approach were discussed and made explicit in workshops around the world. Evaluations and discussions of how personnel and managers put the Group's values into practice are an important part of the annual appraisal talks between managers and personnel.



Sustainability matters

Strategy and analysis

For Electrolux, prioritizing sustainability provides business opportunities. Innovative, energy-efficient appliances can contribute to increased market shares. A sustainable approach reduces exposure to non-financial risk and reinforces partnerships with customers and suppliers. Improving the efficiency of operations generates considerable cost savings. Trust in Group conduct strengthens the Electrolux brand and fosters employee commitment.

Through its work with sustainability, Electrolux is better prepared to meet future markets. Population and economies are growing exponentially and people are enjoying higher living standards, including modern appliances. It is therefore a responsibility and a key to the Group's success to offer these consumers the most energy-lean technologies. Interest for efficient products will escalate. Helping shape a sustainable market allows Electrolux to stay ahead of competitors.

While socio-economic growth is good, it places a strain on limited resources. Most acute will be lack of fresh water, food and energy. Smart functions and efficient appliances can contribute to their conservation. Today's dishwashers consume about half the water an average model used a decade ago—12 liters compared to 22 liters. That is about a tenth of the water the average Western consumer would use to wash the same load by hand.

Long-standing engagement

Demonstrating responsibility towards society and the environment has been a priority for Electrolux for decades. The need to drastically curb energy use is at the top of business and government agendas. Consumers' desire to make a positive difference through ethical and green purchasing is also accelerating growth for green products in many key markets.

There is a strong business case for shaping the market and further integrating sustainability into the company's identity.

Electrolux regards its green product offering as setting the brand apart. Both market and stakeholder expectations are evolving quickly. Competition is increasing as more companies are exploring opportunities that lie in a proactive approach.

A values-driven approach

Sustainability is built into the heart of the company. The vision and values program, *Our Electrolux*, is a framework of values, norms and processes, comprising three core values and the foundation, consisting of three principles of conduct. The principles 'ethics and integrity', 'respect and diversity' and 'safety and sustainability' are strongly embedded into the governance structure through Group codes, policies and procedures.

The Group's core values 'Customer obsession', 'Passion for innovation' and 'Drive for results' also support a sustainable business culture. Together, they emphasize a strong customer focus, the pursuit to persistently renew processes, products and business models as well as a striving to generate long-term benefits.

Setting priorities

The Electrolux business strategy is founded on consumer insight for developing innovative products, a strong brand and cost-efficiency. Environmental, social and economic factors are central to succeeding in every aspect of the strategy. On the basis of a stakeholder-informed materiality process, Electrolux has prioritized four areas:

A principled business – The Group's foundation is 'respect and diversity', 'ethics and integrity', 'safety and sustainability', which are principles of conduct for employee and company alike.

Climate challenge – Through the three-part climate strategy, Electrolux strives to reduce carbon deriving from both products and business operations.

Responsible sourcing – Extending the Group's standards of conduct throughout the supply chain.

Reporting realm

Electrolux reports annually on sustainability strategies and performance using a three-tiered approach, shaped by the information needs of different stakeholders.

- **Annual report:** *Sustainability Matters* reviews how four key areas of sustainability were factored into the Group's business strategy. It meets the needs of shareholders and details the Group's focus, goals and performance.
- **Sustainability online:** The online report includes a clickable index which allows Socially Responsible Investors to follow performance in accordance with the Global Reporting Initiative (GRI). Covering a wider range of issues, this helps improve transparency and accountability.

- **Sustainability strategies report:** This is an outlook report aimed at key audiences such as employees, retailers, customers and other business contacts. It is forward-looking, focusing on how environmental and social challenges are driving innovation and shaping strategies and partnerships.

Restructuring – Both as a global company and local employer, the Group applies an open and transparent approach to decisions that affect stakeholders during restructuring.

This Global Reporting Initiative (GRI) summary focuses on the above priorities. In addition, Electrolux is continuing efforts to address other issues of relevance to the appliance industry, such as producer responsibility for recycling and product responsibility as well as the restriction and management of hazardous substances. More information on the Group's progress in these regards is available in the extended GRI report, which is available on-line at www.electrolux.com/sustainability.

Generating value

The Group's approach has generated results. This year, there is even greater strategic focus and engagement for sustainability within the organization, including the Board.

In an era of retailer consolidation, Electrolux has fewer and more powerful customers. Their expectations for transparency and sustainable product offerings are on the rise. Strong relationships with customers such as IKEA and Wal-Mart can be attributed in part to the Group's proactive environmental performance, social engagement and energy-smart products.

Savings in cost and CO₂

The Electrolux three-part climate strategy, comprising of climate-smart products, consumer awareness and energy efficiency in operations, is on track. Each business sector has launched a range of appliances with outstanding energy and water efficiency. The Green Range share of net sales in the Nordic region has increased by 10% during 2009, indicating that growth in the market for efficient products continues, however tempered by the economic downturn.

Many policy-makers have targeted the reduction of consumer-generated CO₂ as a key area in tackling climate change. Electrolux supports this focus and advocates consumer tax incentives to replace energy-thirsty, old appliances with efficient alternatives.

2009 saw the introduction of these measures in key markets. Tax credits to encourage consumers to purchase energy-smart products have been introduced in the US and Brazil. With the USD 300m (SEK 2,290m) American Recovery and Reinvestment Act, the US administration authorized states to create rebates

This summary report is based on the Global Reporting Initiative (GRI) framework.

Four issues that are most relevant and material to Group performance are discussed in this report. They have been identified through 35 in-depth interviews with internal and external stakeholders and survey responses of 500 Electrolux employees.

The online GRI report offers greater coverage. It includes additional topics such as compliance with legislation with regard to chemicals such as EU REACH and RoHS; producer responsibility for recycling such as EU WEEE Directive; and product safety.

Standard disclosures in GRI reporting include all operations that can potentially affect Group performance. Data covers majority-owned operations for production, warehouses and office facilities.

Data has been collected over the 2009 calendar year and is based on 51 factories, 28 warehouses and 49 offices. To compensate for changing structure, to improve quality of the indicators and to enable comparisons, data from previous years has been revised to reflect the current structure of Electrolux. The number of employees was reduced by 8% during 2009.

with an expected value of USD 50–200 (SEK 380–1,500) for the purchase of a dishwasher, washing machine or refrigerator carrying an Energy Star efficiency rating. In total, 80% of the rebates will be allocated to major appliances, offering the potential for increased sales of the Green Range in 2010. In Australia, there are state-level rebate schemes for efficient appliances, such as the New South Wales, AUD 150 (SEK 900) rebate program for every purchase of a water-efficient washing machine. This has spurred a shift in the market towards frontload washers.

The 2009 target to reduce energy consumption in operations by 15% compared to 2005 levels was exceeded, thereby saving 24% energy, and generating approximately 163,000 tons less CO₂ in 2009 than in 2005 (see page 24). The result was in part influenced by decreased production volumes.

Electrolux formulated and launched a new savings target to reduce energy use by 15% by 2012 compared with 2008 consumption levels. This absolute reduction in consumption will be achieved through increased focus on employee engagement, energy management and investment routines as well as integration into business systems.

The targets' value is not only measurable in carbon savings. They are expected to generate a cost savings of SEK 200m per year compared to 2005 when the 2012 target has been met. Under the

GRI Application Level B



Electrolux has reported its sustainability performance in accordance with the GRI's Application Level B, self-declared and GRI-checked. This includes information provided both in this GRI summary report and on-line at www.electrolux.com/sustainability.

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked				●			

Green Spirit program, Group factories, offices and warehouses are managing and monitoring the target, and results are reported to the Group on a monthly basis.

Agent for change

Expanding the Responsible Sourcing Program to Latin America and Eastern Europe has enabled Electrolux to help safeguard human rights and working conditions for its suppliers in these regions. Incidents of non-compliance to the Code of Conduct and Environmental Policy were reduced between the first and second audit by 72% in Latin America, 73% in Eastern Europe and 39% in Asia, (see pages 17 and 25).

Rising to challenges

There is a growing sense of urgency about the sustainability challenges the world faces, not least climate change.

The Intergovernmental Panel on Climate Change states that in order to limit climate change to two degrees Celsius, absolute greenhouse gas emissions need to be cut by approximately 80% by 2050 compared to 1990. To meet this, the EU aims to reduce its emissions by 20% by 2020.

The Group's targets exceed these goals. In its new savings target for operations, the Group intends to attain this already in 2012.

A global approach to product and brand management

Raising the efficiency bar for the entire product offering in all markets remains a challenge. Local legislation, energy-labeling schemes and consumer demand vary between markets. The Group must merge local requirements with the ambition to promote a uniform and global approach to sustainability.

Energy labels help create market demand for energy-efficient products. It is important that they effectively differentiate products available on the market, without confusing consumers. If this is not achieved, labels may be detrimental to the further development of efficient appliances. Electrolux actively advocates improved labeling systems, particularly among legislators in Australia and the EU. As an instrument to further promote energy efficiency, Electrolux is redefining Green Range criteria in 2010.

Maintaining high standards

Like others in its industry, Electrolux is shifting production to low-cost countries. In this context, it is becoming increasingly important to uphold the same principles as defined by the Electrolux Code of Conduct. This includes how the Group manages its own operations and its suppliers.

In order to comply with the Group's expectations, some suppliers rely on quick fixes, rather than embrace a long-term commitment to change. The Group requires that suppliers shoulder responsibility to uphold high standards.

The Responsible Sourcing Program has recorded increased incidents of non-compliance of overtime and compensation issues. This may in part be due to the fact that some suppliers, particularly in the Far East, have been more hard hit by the economic downturn than others.

Constructive dialogue

A plant closing is a difficult decision for everyone involved—especially for affected employees and communities. During 2008 and 2009, closings were announced in China, Italy, Russia, Spain, Sweden, and the US. In order to work towards continued development of the community, the restructuring process is adapted to local needs and priorities. In the Electrolux experience, where feasible, supporting the search for investors to take over plants and their employees has the greatest long-term benefits for all involved. This approach was first adopted in Västervik, Sweden, in 2005, repeated in Scandicci, Italy, in 2008 and in Changsa, China, in 2009. It is currently applied in Motala, Sweden, and Alcala, Spain, (see page 18). Success lies with constructive dialogue with interest groups such as unions, municipal authorities and potential investors and that the long-term interests of employees remain in sharp focus.

Looking ahead

2010 will see increased activity. The Group will continue to work on a coordinated ethics program that includes mandatory ethics training and an employee hotline to report suspected violations of Group policies. Company-wide energy-reduction targets spur further progress, and targets for managing transport as well as water, waste and emissions in production facilities are to follow. New Green Range products will be introduced in all business sectors in 2010. There will be greater focus on stakeholder dialogue to understand and respond to the challenges that lie ahead.

An expansion of the Responsible Sourcing teams enables the Group to cover a greater number of suppliers and continue with development projects.

In the long term, Electrolux is preparing for more stringent environmental legislation worldwide, particularly in terms of energy consumption. In Europe, Minimum Energy Performance Standards (MEPS) for all major appliances will be in effect within the next few years, starting with refrigerators, freezers, and washing machines. Stricter rules for energy labeling, restrictions on hazardous substances and producer responsibility for the recycling of appliances (EU WEEE Directive) are also expected.

Climate change is a challenge facing the global community. In the medium term, growing interest among stakeholders for reporting carbon impacts will require Electrolux to measure and manage carbon in its supply chain. In order to prepare for this step-change, Electrolux requires suppliers to measure the energy consumed in manufacturing its products as of 2010.

Like in all industries, climate change will require appliance manufacturers to rethink their production processes. The Group's long-term challenge is to respond to the need for more appliances while generating dramatically less carbon emissions and saving more resources. The Group's biggest contribution to the solution is to design products that reduce total emissions, also in expanding markets. In Latin America and Asia, the appliance market has not yet reached the saturation point. Electrolux can help consumers leap-frog to cutting-edge, environmentally-smart technologies.

Sustainability-related risks and opportunities

Understanding sustainability-related risks enables the Group to transform them into opportunities to improve the business, the environment and society. Electrolux has identified four main priorities for sustainability, together with associated challenges, opportunities and ways to address them.

1

A principled business

A sustainable approach starts at home: with safe workplaces, mutual respect and common values, and minimal negative impact on the environment. Electrolux is founded on the principles: 'ethics and integrity', 'respect and diversity' and 'safety and sustainability'. These govern individual actions and the way the Group works. The principles are embedded into the Group's governance structure through the Electrolux Code of Ethics, Workplace Code of Conduct, Policy on Countering Corruption and Bribery and Environmental Policy.

Electrolux operates in more than 150 countries. As a global company under a common brand, the actions of any individual operation can either positively or negatively influence stakeholders' perception of Electrolux. Actively working with sustainability issues therefore helps anticipate business risks and develop opportunities.

In Code of Conduct compliance work, Electrolux also applies a risk-based approach to training and monitoring. The focus is on regions that pose particular challenges because of poor enforcement of existing national laws regarding labor and human rights.

For sustainability performance in relation to the Electrolux Foundation, see the following page. Graphs relating to Code of Conduct assessments and employee data are available on page 24. For information on operational and financial risks, see page 64 in Part 1 of the Annual Report.

Recognition of performance

For the third consecutive year, Electrolux is the only manufacturer of major household appliances listed in the prestigious Dow Jones Sustainability World Index for long-term economic, environmental and social performance. The Group is thus among the top 10% of the 2,500 companies listed in the Dow Jones Global Indexes in terms of sustainability. In addition, the Group has been ranked highly in several other sustainability rankings including:

- FTSE4Good Series, UK.
- SAM Sustainability Yearbook 2010. Electrolux ranked as a gold class member, sector leader and sector mover.
- Global Climate 100 Index, KLD Research and Analytics, USA.
- Brand Emissions Leader, a ranking by ENDS Carbon and Edinburgh University Business School of 600 brands sold in the UK.



Supporting universal standards of business conduct

Electrolux operates its business according to international standards and has environmental certification of its operations according to ISO 14001. Electrolux endorses the ten principles of the United Nations Global Compact, which cover human rights, labor standards, business ethics and the environment.



Cont. 1 A principled business

Performance review

Principle/Activity	Challenge	2009 Performance	Next step
Dialogue with Board – on sustainability strategies.	<ul style="list-style-type: none"> Fully integrate sustainability into business strategy. 	<ul style="list-style-type: none"> Board informed on strategy, priorities and approach. 	<ul style="list-style-type: none"> Ongoing.
Include stakeholder input in identifying sustainability priorities.	<ul style="list-style-type: none"> Understand expectations and respond to different stakeholder and market concerns. Integrate into company decision-making processes. Leverage strategic partnerships with NGOs, universities, customers and suppliers to reach sustainability objectives. 	<ul style="list-style-type: none"> Structured dialogue with investors, employees and interested stakeholders on materiality. Issue-specific discussions with industry partners, organizations, unions and policy-makers. Participation in the development of ISO 26000, guidelines for managing social responsibility. 	<ul style="list-style-type: none"> Develop a process for stakeholder dialogue that is integrated into business strategies. Further develop strategic partnerships.
Our Electrolux – Embedding a common set of values.	<ul style="list-style-type: none"> Integrate a common values system among all employees in a company that traditionally has been entrepreneurial and decentralized. Integrate Our Electrolux into the Talent Management processes including appraisal talks. 	<ul style="list-style-type: none"> Integrated into leadership programs. 550 workshops involving 3,000 employees. Integrated 3 values and 3 foundation principles in appraisal talks and talent review process. 	<ul style="list-style-type: none"> 4,000 employees to complete the workshop by Q3, 2010. Implement the values, foundation and leadership model into the Electrolux Employee Attitude Survey. 12,000 employees complete appraisal talks by Q1, 2010.
Ethics and integrity – Communicating an ethics program that includes the Code of Ethics and related policies.	<ul style="list-style-type: none"> Develop a program to inform all employees about policies for business ethics. Inform employees of policies as well as practices that help develop sound judgment on the acceptance and offering of gifts and events. 	<ul style="list-style-type: none"> A global program and a system for reporting breaches have been adopted. Roll-out of guidelines for gifts and events, based on the Electrolux Policy on Countering Corruption and Bribery. More than 20 workshops on guidelines for gifts and events for selected functions across all business sectors in Europe, China and Australia. 	<ul style="list-style-type: none"> The program will be implemented in 2010. Ongoing. Ongoing. Workshops on gifts and events will be held in US, Brazil, Latin America, Asia/Pacific and Russia in 2010. Content is being integrated into a Group US e-learning program.
Ethics and integrity, safety and sustainability – Improving Code of Conduct methodology, including environmental requirements through the Workplace Standard.	<ul style="list-style-type: none"> Integrate customers' environmental and social requirements into Group standards. Ensure support among retailers for this approach. 	<ul style="list-style-type: none"> Workplace Standard has been rolled out. 	<ul style="list-style-type: none"> Implement and monitor compliance according to the standard and improve performance.
Ethics and integrity – Monitoring Code of Conduct performance compliance.	<ul style="list-style-type: none"> Uphold principles of the Code of Conduct, especially in regions with higher risks from human and labor rights perspectives. 	<ul style="list-style-type: none"> 10 (12) of 21 plants in risk defined regions were externally audited for Code of Conduct and environmental compliance. 	<ul style="list-style-type: none"> Ongoing.
Safety – Global approach to health and safety (H&S) management and behavioral change.	<ul style="list-style-type: none"> End objective of zero accidents. Introduce uniform and consistent working methods for H&S. Consistent metrics for measuring safety. Global behavioral-based safety program. 	<ul style="list-style-type: none"> The global total case incident rate (TCIR) increased by 23% while the number of workdays lost due to injuries decreased by 42%. Initiation of STOP™ program in Latin America, Asia/Pacific and 5 European plants. Over 75,000 Safety Audits were conducted during the year, an increase of 46%. 	<ul style="list-style-type: none"> 2010 targets: Sites with TCIR greater than 1.0: 10% reduction. Sites with TCIR less than 1.0: 5% reduction. Increase management involvement. Implement STOP™ at all sites globally. Conduct employee safety perception survey.
Respect and diversity – Development of an innovative culture with diverse employees in terms of cultural backgrounds and gender.	<ul style="list-style-type: none"> Create teams that better reflect consumers in the Group's markets. Focus more on gender equality, especially among senior management teams. Currently 15% (12) are female. 	<ul style="list-style-type: none"> Support local joint business diversity initiatives in key Group markets. 	<ul style="list-style-type: none"> Ongoing.

2 Climate challenge

Electrolux has a role to play in the climate challenge. About 2% of Europe's overall CO₂ emissions are generated by the use of approximately 630 million appliances. Through its three-part climate strategy, the company can contribute to positive change, reduce its negative impacts, while at the same time generating business opportunities.

Product life-cycle approach

The largest share of the Group's total environmental impact refers to the use of products. This applies particularly to the energy consumed by large appliances such as refrigerators and washing machines. According to the German research organization Öko Institut, the use of appliances often accounts for more than 75% of a product's total environmental impact. (See life-cycle diagram on page 16.) Electrolux can therefore contribute most to tackling climate change by developing a product-led approach.

Electrolux is committed to reducing the energy consumed by its products and to promoting appliances with outstanding overall environmental performance.

Climate strategy

The Electrolux three-part climate strategy is a group-wide response to the climate challenge that goes beyond meeting local legislation and addressing regulatory risks, entailing:

1. Developing and promoting energy-efficient products
2. Reducing the Group's energy use in operations
3. Raising awareness of the importance of efficient appliances in tackling climate change.

Each business sector within Electrolux is promoting its own range of water- and energy-efficient appliances. Electrolux raises the bar for products qualifying for the range on a yearly basis. Although locally defined to meet each market need and regulatory demands, the series is based on environmental parameters defined by the Group.

Electrolux also aims at expanding the market for climate-smart products by influencing consumer purchasing through marketing, communications and proactive public policy work.

Group Management evaluates associated risks and implications of climate change on an annual basis. In response to these risks, and as part of the Group's responsibility as a corporate citizen, Electrolux is actively taking part in the solution. For Electrolux, the most significant risks relate to legislation requiring phase-out of the least energy-efficient products and adjustments in operations; behavioral changes of consumers; energy pricing; as well as stakeholder expectations.

In order to manage these risks, Electrolux continually assesses new legislation and shifts in stakeholder demands.

Energy legislation and product labeling

The most relevant global trends in legislation affecting the Group involve energy and water efficiency of appliances during their use. Electrolux product strategies are designed to meet and exceed these.

Energy efficiency and product energy labeling are core issues for the appliance industry. In Europe and North America, which are the Group's major markets, regulations require that most appliances bear a label indicating the product's energy efficiency and consumption levels. Energy efficiency is thus a relevant factor in purchasing decisions. Similar labeling regulations exist in Australia, Brazil, China, India, Japan and Mexico.

Electrolux products are within all regulatory limits and they are represented in the highest energy-efficiency classes. The Group is prepared for upcoming, more stringent energy-efficiency standards in the EU and the US. Future regulation may also include fluorinated gases used as foam-blowing agents and refrigerants presently used in some products. In Europe, minimum efficiency-performance standards (MEPS) and other environmental requirements will be in effect in 2010. Revised rules for energy labeling will also be launched in the EU during 2010. These changes in legislation and the need to modify products could potentially have a material impact on Electrolux. However, the Group has not quantitatively collated their financial implications on Group level.

Electrolux qualifies for 2008–2010 tax credits for the sale of Energy Star appliances manufactured in the US. The energy-efficiency parameters for qualifying for the credits have been raised for each product type, compared to previous generations of credits.

Benefits for Electrolux

A proactive approach to climate change generates business advantages:

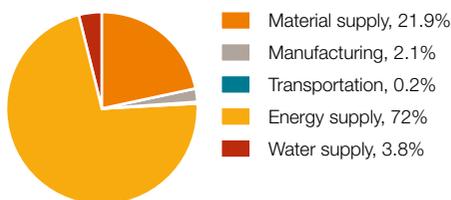
- It reflects key consumer and retailer concerns.
- It leverages product innovation and increases sales margins.
- It reduces operational costs and exposure to fluctuating energy prices. Cutting energy consumption has a direct impact on operating costs. The Group's energy target is expected to generate an annual cost saving of SEK 200m compared to 2005 when the 2012 target is met.
- It helps Electrolux stay ahead of legislation in the growing number of markets where manufacturers are subject to gradually more stringent energy-efficiency standards and producer- responsibility regulations (see box).
- It contributes to the Group's positioning as a sustainability leader.

Information on performance relating to the three-part climate strategy is available on the following page. Graphs relating to energy use in products are available on page 22, and energy use in operations are available on page 23 and 24. Other environmental performance graphs are found on page 23.

Three-part climate strategy performance review

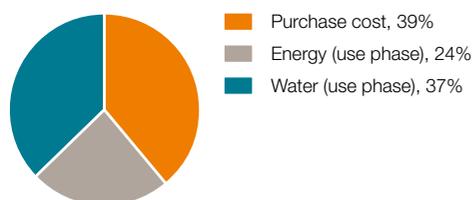
Strategy	Challenge	2009 Performance	Next step
<p>Promote a green range of products in each business area. Green Range incorporates state-of-the-art energy and water-efficient appliances.</p>	<ul style="list-style-type: none"> Adopt common criteria that are relevant for the Group's major markets and collate sales and profitability. Realize the potential of a Green Range offering. Define efficiency targets of the product fleet. 	<ul style="list-style-type: none"> Launch completed in major markets. Annually report global Green Range sales and profitability. Global Green Range for major appliances accounted for 21% of total sold units and 30% of gross profit for consumer durables. 	<ul style="list-style-type: none"> Continue to build on the ranges of top environmental performing products.
<p>Reduce energy consumption in operations by 15%. This reduces the Group's CO₂ emissions and improves operating margins.</p>	<ul style="list-style-type: none"> The first target focused on behavioral changes, the second focuses on energy management, investments and efficiency. 	<ul style="list-style-type: none"> Exceeded 2009 objective, saving 24% (14.5) of energy and 163,000 tons of CO₂ since 2005. Defined new 15% energy-savings target for 2012 compared to 2008 consumption levels. The Green Spirit Program has been fully integrated into Electrolux Manufacturing System worldwide. 	<ul style="list-style-type: none"> Integrate energy-efficiency criteria into investment routines. Coordinate global purchasing of efficient technologies. Integrate into Electrolux Manufacturing System's performance assessment and site certification as of 2010. Transportation: Map CO₂ emissions impact and mode of transport group-wide in 2010. Define targets in 2010 for water and waste reductions in factories and for reducing the carbon impact from transportation.
<p>Raise awareness among consumers and policymakers of how efficient appliances can reduce total CO₂ emissions.</p>	<ul style="list-style-type: none"> One in three appliances in operation is over 10 years old. In Europe, 188 million of the 630 million appliances are inefficient by today's standards. The challenge is to convince consumers to exchange these appliances with energy-lean ones, which would result in an annual reduction of 22 Mton CO₂. Difficulty in measuring the degree the Group has impacted consumer awareness of the role of efficient appliances. Performance standards and legislation vary between countries. Electrolux supports their global harmonization. 	<ul style="list-style-type: none"> The North American and European Eco-savings sites, launched in 2008, are ongoing. They are on-line services that calculate savings on electricity and water consumption offered by efficient appliances. Global launch of Water Savings, an on-line service that calculates individual, regional and national water savings of using dishwashers, compared to washing by hand. Dialogue with representatives of governments, policy-makers and intergovernmental organizations. 	<ul style="list-style-type: none"> Ongoing initiatives directed to policy-makers and awareness-raising. Ongoing.

Life cycle impact



The diagrams are based on data from the average washing machine sold in Europe. Approximately 80% of the total environment impact of an appliance during its life cycle is generated when it is used, compared to less than 10% during production. Electrolux can therefore contribute most by developing a product-led approach.

Life cycle cost



The purchasing price often accounts for less than half of the total life-cycle cost and efficient appliances mean both economic and environmental savings.
Source: Öko-Institut e.V., Institute for Applied Ecology, 2004.

3

Responsible Sourcing Program

Instilling high environmental and labor standards among suppliers is the joint responsibility of Group Purchasing and Sustainability Affairs, through the Responsible Sourcing Program. During 2009, a revised purchasing process was launched by Global Purchasing with a common system for identifying and approving potential suppliers. The process ensures that compliance to the Electrolux Code of Conduct and Environmental Policy is mandatory, non-negotiable aspects of evaluating potential and existing suppliers.

The Group has a global, risk-based approach to monitoring the supply chain. Supplier transparency helps assure that the Group's products are manufactured with respect for human rights, health and safety and the environment.

The benefits of responsible sourcing include optimized costs, improved relationships with suppliers and customers as well as better logistics. The program reduces the risk of serious non-compliances that could lead to disruptions in product deliveries. In addition, incidents of non-compliance to the Code of Conduct could affect brand reputation.

Global Purchasing builds long-term relationships

As Electrolux raises expectations on suppliers for quality and cost efficiency, the Group also boosts their ability to perform by sharing technologies as well as production and organizational expertise. With the Purchasing Development Program, Group Purchasing has been helping suppliers prepare for special assignments or to meet higher standards since 2007. Electrolux engages specialists group-wide to transfer knowledge in production, management and organization to suppliers. Value is mutual, not only in improved quality, but also in cementing long-term relationships and loyalty.

Graphs relating to the Responsible Sourcing Program are available on page 25.

As an independent audit function and part of Group Sustainability Affairs, the Responsible Sourcing Program is aimed at creating long-term, sustainable improvement among suppliers.

It supports and collaborates with Group Purchasing to foster supplier ownership of high environmental and workplace standards. The program includes developing projects with individual actions for specific suppliers.

Performance review

Strategy	Challenge	2009 Performance	Next step
Develop the Responsible Sourcing Program in Latin America and Eastern Europe.	<ul style="list-style-type: none"> Increase the number of suppliers located in a greater number of low-cost countries. 	<ul style="list-style-type: none"> Continue developing the program in all regions. 	<ul style="list-style-type: none"> Increase the number of Responsible Sourcing specialists.
Integrate Responsible Sourcing in global and local purchasing procedures.	<ul style="list-style-type: none"> Define a coordinated approach. 	<ul style="list-style-type: none"> Internal training sessions and joint audits with quality departments. Code of Conduct priorities integrated into regular purchasing procedures for identifying and evaluating suppliers group-wide. 	<ul style="list-style-type: none"> Ongoing. Increase monitoring.
Supplier development program (Environmental and Code of Conduct compliance).	<ul style="list-style-type: none"> Encourage supplier ownership for upholding high environmental and social standards. 	<ul style="list-style-type: none"> Pilot successfully completed in China. 	<ul style="list-style-type: none"> Broaden the scope of strategic suppliers. Increase the number of projects in all regions. Establish a supplier development team in Asia/Pacific.
Raise the levels of environmental criteria.	<ul style="list-style-type: none"> Increase understanding among suppliers for their environmental impacts and what is required to address them. In the long term, develop a system to collect carbon data from suppliers. 	<ul style="list-style-type: none"> Integrated into the Workplace Standard. 	<ul style="list-style-type: none"> Request that suppliers measure their energy use.
Conduct audits.	<ul style="list-style-type: none"> Increase the number of audits. 	<ul style="list-style-type: none"> 290 (262) audits conducted. 	<ul style="list-style-type: none"> Ongoing.
Supplier development program (Technology and expertise transfer).	<ul style="list-style-type: none"> By sharing technologies and expertise, equip suppliers to meet high expectations and special assignments. 	<ul style="list-style-type: none"> Approximately 30 suppliers take part in the Group Purchasing program annually in Europe and China. 	<ul style="list-style-type: none"> The program will expand in Latin America, particularly in Mexico in 2010.

4 Restructuring

As a local employer and a global company, Electrolux has a role to play in society. Whether contributing to positive change for local communities or responsibly managing the consequences of restructuring, the Group aims to do so in dialogue with people and organizations affected by the decisions it makes.

To remain competitive and access new markets, Electrolux is shifting location of production. Setting up operations in emerging economies creates positive changes for local communities. It generates indirect effects by prioritizing local suppliers and transferring cutting-edge technologies to these markets, and helps regions leap-frog to the latest technologies. In addition, new facilities are aligned with Group practices through Code of Conduct monitoring procedures together with requirements for ISO 14001 certification of plants.

A decision to close a plant or downsize production affects individuals and communities. Responsible management of the consequences of these decisions is an Electrolux priority. When a factory restructuring is under evaluation, a procedure is followed adapted to local needs and priorities. A wide range of stakeholders are consulted, which may include labor-union representatives, local, regional and national politicians and public authorities.

After the decision to close or downsize has been made, employees are offered assistance such as pre-retirement schemes, training programs and career coaching.

In light of the sharp market decline last year, Electrolux further reduced its staff by more than 3,100 in the fourth quarter of 2008 and in 2009, in addition to the ongoing restructuring process. Operations worldwide were affected (see table 'Employee turnover', on page 25).

Restructuring activities announced or completed during 2009

Activity	Challenge	2009 Performance	Next step
Adelaide (Beverley), Australia Closure of the washer/dryer plant during 2008.	<ul style="list-style-type: none"> Relocate production to Rayong, Thailand. Find job opportunities in Electrolux cooking plant in Dudley Park, Australia, for affected employees. Job support and training for remaining affected employees. 	<ul style="list-style-type: none"> 369 employees were affected in 2008. 150 employees transitioned to other positions. Of those seeking employment in 2009: 4 were retrained. 12 are fulfilling expatriate roles. Completed closure. 	<ul style="list-style-type: none"> N/A
Changsa, China Closing of the refrigerator plant during 2009.	<ul style="list-style-type: none"> Pursue external investors. 	<ul style="list-style-type: none"> 700 employees were affected. 60 employees rehired by new factory owner. 	<ul style="list-style-type: none"> N/A
Scandicci, Italy Phase-out of production of a refrigerator plant during 2009.	<ul style="list-style-type: none"> Re-hiring of 370 employees by new factory owner. 	<ul style="list-style-type: none"> 430 employees were affected. 370 employees received employment with the new factory owner. Social plan for 60 redundancies. 	
Alcalà, Spain Announcement of the closure of the washing machine factory in 2011.	<ul style="list-style-type: none"> Relocate production to Rayong, Thailand. Pursue external investors. 	<ul style="list-style-type: none"> 450 employees affected. Rayong was audited for Code of Conduct compliance during 2009. 	<ul style="list-style-type: none"> Ongoing. Continue the search for replacement jobs.
Motala Sweden, Announcement of the phase-out of cooker production, by year-end 2010.	<ul style="list-style-type: none"> Relocate production to Swidnica, Poland. Pursue external investors to take over production and factory facility. 	<ul style="list-style-type: none"> 240 employees affected. 	<ul style="list-style-type: none"> Continue the search for replacement jobs.
Susegana, Italy Optimizing cost base by refocusing product mix.	<ul style="list-style-type: none"> Agree on social plan. Re-engineer the factory to match new mission. 	<ul style="list-style-type: none"> Social plan agreed for 220 (280) redundancies. Remaining 60 employees in temporary social plan, completed by 2011. Factory optimization completed 2010. 	
Webster City and Jefferson, Iowa, US Closure of vacuum cleaner production, 2009 and laundry production in Q4, 2010 (Jefferson) and Q1 2011 (Webster City).	<ul style="list-style-type: none"> Coordinate employee support with governments and agencies. Job support and training for affected employees. Relocate production to Juarez, Mexico. 	<ul style="list-style-type: none"> 940 employees affected. Work with the Iowa Workforce Development Agency to arrange for delivery of State and Federal programs and benefits to employees. 	<ul style="list-style-type: none"> Ongoing.
St. Petersburg, Russia Closure of the washing machine factory, Q2, 2010.	<ul style="list-style-type: none"> Job support and training for affected employees. 	<ul style="list-style-type: none"> 215 employees affected. Outplacement program. Direct contact with potential new employers. 	<ul style="list-style-type: none"> Search for replacement jobs (via mass media, internet).

An inclusive approach

Accountability to consumers, customers, employees, shareholders and others affected by the Group's operations involves sharing experience and addressing concerns. Stakeholder insight also enables Electrolux to better understand its markets and societal trends.

Understanding consumers is the basis for the Electrolux brand promise "Thinking of you". Consumer insight is decisive for both the business strategy and product development. Comprehensive interviews and visits to households throughout the world enable the Group to identify global trends in society and respond to them in the product offering.

Long-term relationships bring sustainable success

Strong, long-term relationships with retailers are central to the business model. Sustainability-related issues are an important part of the dialogue with customers. Electrolux has long cooperated informally with retailers to promote environmentally-sound appliances and enhance consumer awareness. Growing numbers of customers are stipulating formal commitments to social and environmental performance standards in their contracts.

Dialogue with stakeholders

Employee contributions are highly valued. The Group's Board of Directors comprises non-executive members, the President and, in accordance with Swedish law, three employee representatives and three deputies. They thereby provide employee input into company decision-making. Annual employee attitude surveys gauge opinion and seek feedback from personnel on how the strategy is being implemented and how they perceive the organizational climate.

Dialogue with investors and owners, many of which are pension funds with long-term commitments to Electrolux, is also ongoing. Their primary concerns are that Electrolux understands and acts on emerging issues and that the Group is transparent with regard to long- and short-term risks and opportunities.

Media-related activities focus on products, markets and business strategy, enabling Electrolux to broaden its interface with opinion-formers. Also, continuous analyses of media trends enable company strategists to track relevant global and local issues.

Shared agenda

The Electrolux staff for sustainability affairs is responsible for Group dialogue with internal and external stakeholders on sustainability-related issues, such as climate change, producer responsibility for recycling and responsible sourcing. Identification and choice of partners are primarily based on the weight the organizations carry for issues relevant to the Group. Stakeholders

include environmental organizations such as the Worldwide Fund for Nature (WWF) and Business for Social Responsibility (BSR). Frequency of engagement is issue- and agenda-driven.

Since 2004, Electrolux has taken part in the development of ISO 26000 social responsibility guidelines to be launched in 2010, and in the harmonization of product performance standards through the International Electrotechnical Commission.

Prior to, and during, climate negotiations in Denmark, Electrolux President Hans Stråberg was among the CEOs that endorsed initiatives, such as Caring for Climate, aimed at advancing practical solutions and shaping both public policy and attitudes on climate change. He also met with high-level EU and European national policy-makers to discuss the urgency of a uniform and strict monitoring process for compliance to environmental product legislation.

Electrolux also maintains a continuous dialogue with representatives from governments and intergovernmental organizations. This is conducted both directly and through membership in appliance industry associations (see page 22).

Public policy discussions with governmental authorities cover issues such as climate change, energy efficiency, producer responsibility for recycling, product responsibility as well as the introduction of government incentives for consumer purchases of energy-efficient appliances.

Ongoing dialogue and feedback from stakeholders are compiled and reported to Group Management on a regular basis, and reflected in their decision-making. Sustainability Affairs also conducts dialogue with target audiences on the reporting process.

Each market and business area is responsible for maintaining dialogue with representatives from relevant interest groups. Local operations cooperate and engage with non-governmental organizations such as WWF in Italy, the Ovarian Cancer Research Fund and the United Way in the United States and the Ethos Institute for Companies and Social Responsibility in Brazil. Electrolux also cooperates with other corporations that have similar goals through, e.g., the UN Global Compact and its Nordic network, as well as the Confederation of Swedish Enterprise.

Management and performance

Electrolux defines its sustainability strategies, monitors performance, coordinates training and aggregates its targets at Group level. At the same time, each business area is responsible for implementation locally. This combination helps ensure that learning can be leveraged across markets while Electrolux is meeting local needs and requirements.

Through its management approach, Electrolux aims to integrate sustainability throughout its entire operations.

Organizational responsibility

The Board assesses ethical risks and opportunities annually. Sustainability-related strategies and policies are defined by Group Management.

During the year, the Group launched a new organizational platform, Major Appliances Global Operations, to develop management practices with regard to product innovation, purchasing and factory management. This will further facilitate the global execution of sustainability strategies.

Responsibility at the business sector level covers environmental management, human resources as well as health and safety issues. In addition, the business areas manage the impacts of operations on communities, both during operation and restructuring.

Electrolux Sustainability Affairs supports business areas and Group functions with expertise, training, issue identification and monitoring. Sustainability Affairs is part of Group Staff Communications and Branding.

Group Purchasing is ultimately responsible for compliance with the Code of Conduct along the supply chain. The Responsible Sourcing Program enables the Group to maintain local presence and support purchasers and suppliers with training, audits and development activities. The manager of the program reports to Group Sustainability Affairs.

Policies

The Electrolux Code of Ethics comprises rules of conduct for relations with employees, business partners, shareholders and other stakeholders.

Elements of the Electrolux Code of Ethics are described in greater detail in the Code of Conduct, the Policy on Countering Corruption and Bribery, and the Environmental Policy. All of the above are based on universal standards of business practice, including those of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

Codes and policies also reflect the Electrolux commitment to the ten principles of the UN Global Compact. The Board reviews ethical and sustainability-related policies on an annual basis. All of the above policies have been endorsed by Group Management.

The Electrolux Workplace Code of Conduct defines high employment standards for all Electrolux employees in all countries and business areas as well as for all subcontractors. The Code covers issues such as child and forced labor, health and safety, workers' rights and environmental compliance.

The Electrolux Environmental Policy outlines the Group's commitment to improve environmental performance in production, product use and disposal. The policy prescribes a proactive approach to legislation.

2009 saw the introduction of the Workplace Standard, which clarifies and specifies the management practices required to meet the Group's sustainability codes and policies. The Standard has also been informed by an analysis of the sustainability requirements of major customers to ensure that the Group is meeting and exceeding their expectations.

Human resource-related policies such as the Grandparent Principle and the Recruitment Policy are designed to ensure fair and transparent hiring practices. The Compensation Policy defines a consistent approach to remuneration. The purpose of the policy Appointment of Senior Managers is to ensure that Electrolux appoints the right people to achieve strategic objectives in line with Group policies. Training of the policy has been conducted

Direct economic value (GRI EC1)

SEKm	2009	2008
Revenues	109,429	105,232
Economic value distributed		
Operating costs	84,769	83,798
Employee wages and benefits	17,201	17,014
Payments to providers of capital	533	1,961
Payments to government	877	287
Community investments	NA	NA
Economic value retained	6,049	2,172



The direct economic value is defined as net sales plus revenues from financial investments and sales of assets.

Policy	Policy holder*	Policy approver
Code of Ethics	VP, Group Sustainability Affairs	Board of Directors
Workplace Code of Conduct	VP, Group Sustainability Affairs	Senior Vice President, Communications and Branding
Policy on Countering Bribery and Corruption	Senior Associate General Counsel	Senior Vice President, Legal Affairs
Environmental Policy	VP, Group Sustainability Affairs	Senior Vice President, Communications and Branding

*Responsible for developing, communicating, monitoring and enforcing.

throughout the global Human resource community. Compliance is followed up annually. Non-compliant units are requested to have short- and long-term action plans in place.

External assurance

This summary report, which is included in the Annual Report, and the online GRI report have been GRI-checked to ensure the correct application of their reporting framework.

Third-party assurance of compliance with ISO 14001 is conducted annually at all certified facilities. In addition, third-party assurance of compliance with the Code of Conduct is conducted within risk-defined regions. At year end, Electrolux operated 21 (20) plants in Asia, Latin America and Eastern Europe. Ten (12) of these were externally audited during 2009. In total, 290 (262) Code of Conduct audits took place among suppliers, 33 (19) of which were externally audited.

Training and monitoring

In order to integrate management procedures throughout the Group, Electrolux runs training programs covering environmental certification according to ISO 14001, the Code of Conduct, occupational safety and human resources. These are also supported by internal and third party performance monitoring.

In order to instill an understanding for, and adherence to, the Group's foundation and core values and the Policy on Countering Corruption and Bribery, group-wide workshops and training pro-

grams were held during the year (see page 80). In addition, workshops on the Workplace Standard took place in China and Thailand.

Environmental performance

Group Management has stipulated that an environmental management system is to be implemented for each business area's entire operation. All manufacturing units are mandated to be certified according to ISO 14001. In 2009, 94% (92) of all factories were certified. Newly acquired units must complete the certification process within three years after acquisition.

Reducing energy use is a Group objective. Sustainability Affairs is responsible for sharing best practice as well as monitoring performance group-wide. Energy savings targets are implemented in offices, factories, and warehouses. Target achievement in factories is managed through the Electrolux Manufacturing System, a global program for implementation of efficient production. In addition, the system is used for monitoring and eliminating waste, reducing water use and increasing safety and quality within production processes. Together with regional logistics departments, Sustainability Affairs coordinates the reduction of CO₂ related to transportation.

Labor practices, human rights and society

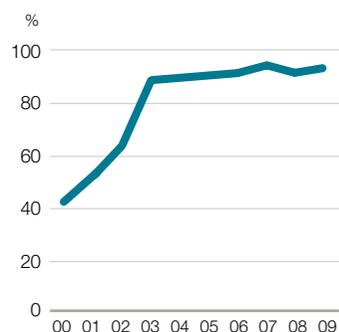
At year-end, the Awareness-Learning-Feedback-Assessment (ALFA) tool was deployed in all Electrolux business areas to measure how units have progressed relative to the Code of Conduct and to assess the status of health and safety, as well as related management practices. Sustainability Affairs provides business areas with feedback and suggestions for improvements.

A key priority is to ensure that group-wide policies are communicated, with particular focus on the Code of Ethics and the Code of Conduct.

People Vision

The Electrolux People Vision is to have an innovative culture with diverse, outstanding employees that drive change and go beyond in delivering on the Group's strategy and performance objectives. Human resource policies, leadership programs and an internal recruitment tool help to realize the vision. Sustainability is included

ISO 14001 certification



Share of factories with more than 50 employees that have certified ISO 14001 environmental management systems. Two factories are currently in the process of certification.

Direct material balance

Data from 51 manufacturing units, %	2009	2008	2007	2006
Finished products (incl. packaging)	91.8	91.2	90.9	91.7
External material and energy recycling	7.3	7.8	8.1	7.2
Waste to landfill (non-hazardous)	0.7	0.8	0.9	0.8
Hazardous waste	0.18	0.20	0.15	0.17
Emission to air	0.008	0.010	0.012	0.025
Emission to water	0.001	0.001	0.001	0.003
Total incoming material	100	100	100	100

In 2009, the high utilization of material in production was maintained.

in induction programs for all new senior managers. Ethics training is also part of the Electrolux Leadership program.

As of this year, employee performance is measured in appraisal talks according to the Group's three core values and the foundation, with its three principles of conduct.

Health and safety

Individual business regions are responsible for ensuring that health and safety is effectively managed and management is held accountable for the safety performance in their areas. Local units are responsible for taking action and reporting safety data in accordance with prevailing laws and regional requirements.

At Electrolux factory facilities, health and safety is monitored through the Electrolux Manufacturing System. In 2009, safety performance goals were set at a reduction of 10% total case incident rate (TCIR) for those factories with a TCIR greater than 1.0 and 5% reduction for those factories with a TCIR less than 1.0.

Society

The Electrolux public policy agenda is primarily coordinated with industry organizations such as the European Appliance Industry Association (CECED) and the American Home Appliance Manufacturers Association (AHAM).

A public policy outcome currently supported by Electrolux is the creation of market frameworks that promote purchases of energy-efficient appliances. Since performance standards and legislation vary between countries, Electrolux supports their global harmonization.

Electrolux observes neutrality with regard to political parties and candidates. Neither the Electrolux name, nor any resources controlled by Group companies may be used to promote the interests of political parties or candidates.

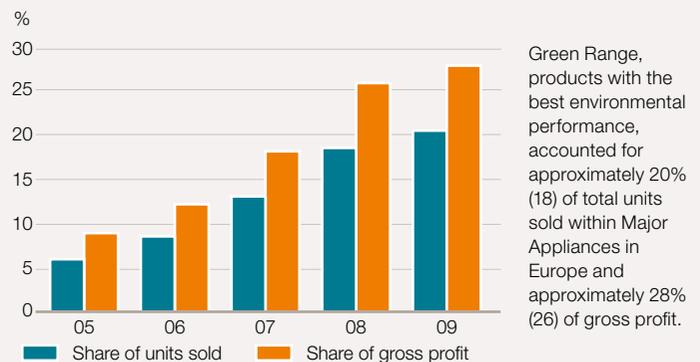
Workplace Code of Conduct

Electrolux applies common management practices for the Workplace Code of Conduct and monitors and reports on progress for all facilities with more than 30 employees. An electronic assessment tool, Awareness-Learning-Feedback-Assessment (ALFA), supports internal implementation of the Workplace Code of Conduct and monitors Electrolux units regarding compliance.

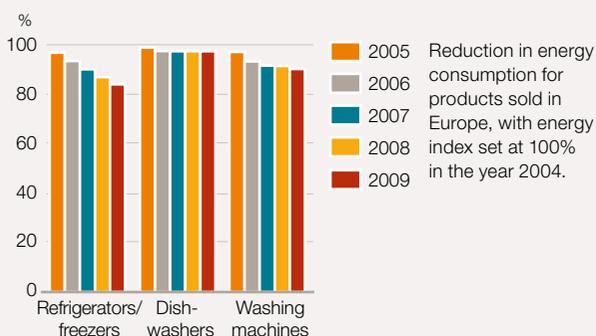
Global Green Range



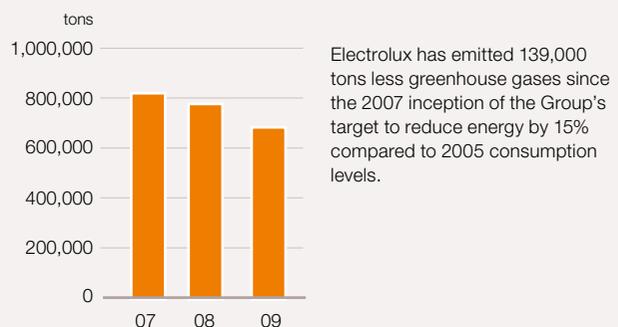
Green Range Europe



Fleet average



Direct and indirect GHG emissions (GRI EN16)



Direct energy consumption by primary energy source (GRI EN3)

GJ	2009	2008
Non-renewable primary source		
Oil	44,889	55,929
Coal	0	32,734
Natural gas	2,076,175	2,367,545
LPG	146,282	148,097
Renewable primary source		
Biofuel	0	0
Ethanol	0	0
Hydrogen	0	288

Indirect energy consumption by primary source (GRI EN4)

GJ	2009	2008
District heating	115,364	133,044
District cooling	7,632	13,067
Steam	1,937	2,044
Electricity	2,542,494	2,775,964
Renewables	0	0

Water withdrawal by source (GRI EN8)

m ³ /year	2009	2008
Surface water	863,260	937,204
Ground water	4,510,856	5,208,902
Rainwater	74,072	54,000
Wastewater, other organizations	78,800	91,907
Municipal water	3,493,969	4,661,990

Direct and indirect GHG emissions (GRI EN16)

tons	2009	2008
Direct emissions (EN3)		
Energy generation	119,161	150,683
Fugitive emissions	260,442	275,100
Indirect emissions (EN 4)		
Electricity	290,579	327,227
District heating/cooling	3,443	9,546
Steam	424	1,659

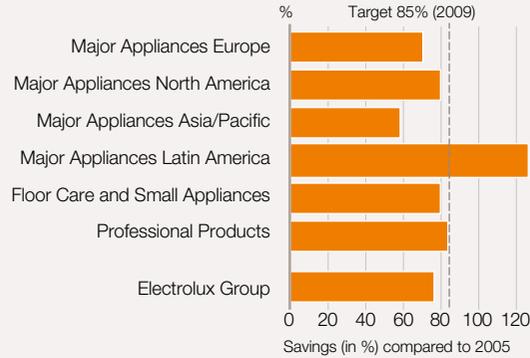
Calculations are based on WRI's "Calculation Tool for Direct Emissions from Stationary Combustion Calculation worksheets. July 2005. Version 3.0". Indirect emissions have been calculated using Electricity Emission Factors - All Fuels (Electricity Purchase Service Sector v3(1)). Emission factors have been shifted three years (2006 to 2009) to allow year-on-year comparisons. Data for 2008 has been revised.

Weight of waste by type and disposal method (GRI EN22)

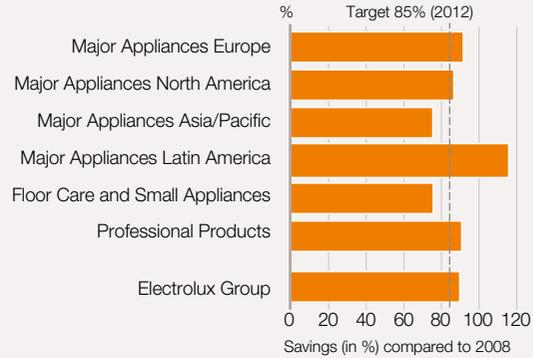
tons	2009	2008	2007	2006
Hazardous waste	4,116	4,770	4,056	3,958
Non-hazardous waste				
Composting	507	279	11	0
Recycling	150,397	175,250	212,372	168,645
Incineration	2,013	2,387	2,515	3,594
Landfill	18,682	21,468	22,982	19,856
Deep well injection	435	273	0	0

Energy savings targets (GRI EN18)

Step 1: Target 15% 2009. Baseline year: 2005.
Status: Completed and exceeded



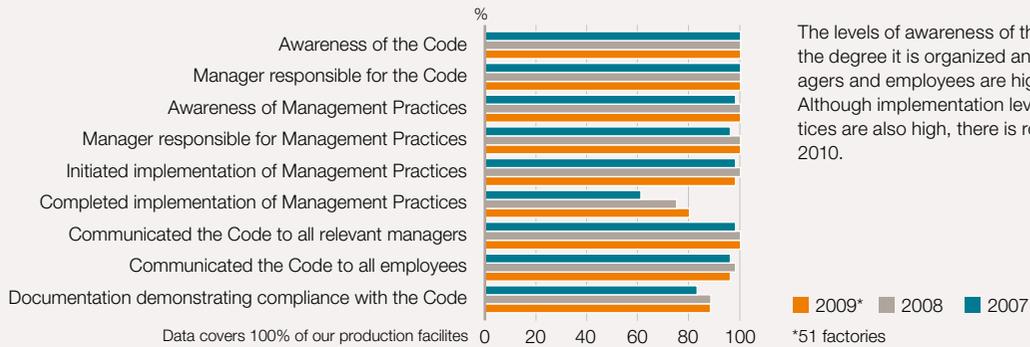
Step 2: Target 15% 2012. Baseline year: 2008.
Status: Ongoing and on track



Business sector, %	2009	2008	2007
Major Appliances, Europe	70	77	87
Major Appliances, North America	80	93	94
Major Appliances, Asia/Pacific	58	75	86
Major Appliances, Latin America	126	109	109
Floorcare and Small Appliances	79	105	94
Professional Products	83	93	88
Electrolux Group	76	86	91

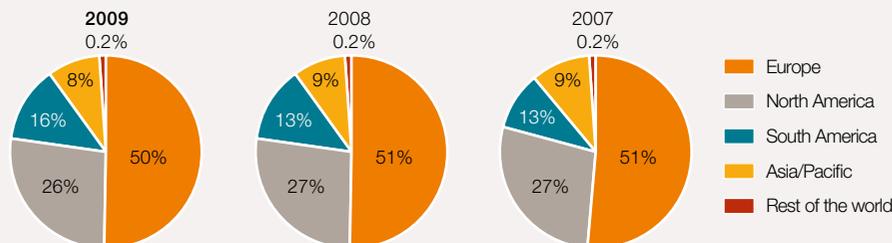
The Group target to reduce energy consumption 15% by year-end 2009, compared to the 2005 level was exceeded. Energy consumption has been reduced 24%, corresponding to a reduction of 163,000 tons of CO₂. 2009 data is based on 51 factories, 25 warehouses and 34 offices, compared to 52 factories, 17 warehouses and 25 offices in 2005.

ALFA assessment of the Group production units



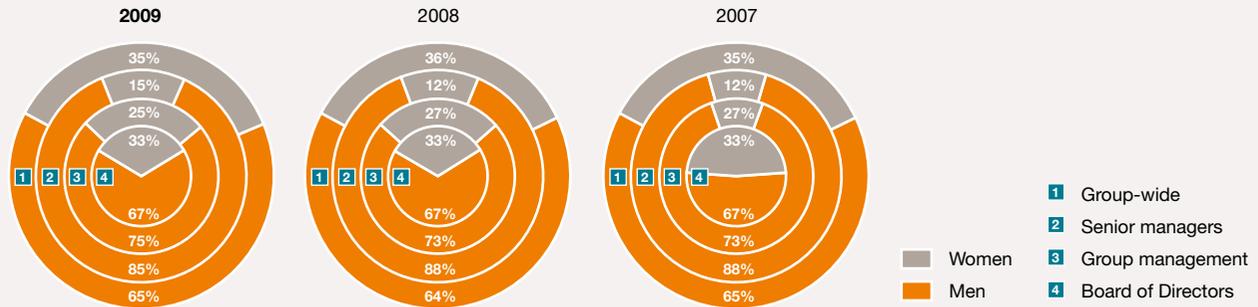
The levels of awareness of the Code of Conduct, and the degree it is organized and communicated to managers and employees are high throughout the Group. Although implementation levels for management practices are also high, there is room for improvement in 2010.

Employees by geographical area (GRI LA1)



The ratio of employees between geographical areas has changed slightly between 2008 and 2009, with an increase in South America. There were 50,633 employees in 2009. The corresponding figure for 2008 was 55,177.

Gender distribution



Employee turnover (GRI LA2) and collective bargaining (GRI LA4)

	2009	2008
Total employees – Male	32,955	35,562
Total employees – Female	17,678	19,615
Employee turnover – All employees, %	17 ¹⁾	22
Employee turnover – Male, %	18 ¹⁾	23
Employee turnover – Female, %	15 ¹⁾	22
Employees covered by collective bargaining agreements, %	62 ²⁾	63

1) Data covering 51 production facilities, 28 warehouses and 49 offices corresponding to 45,483 employees.

2) 25,990 of 37,476 employees at 51 production facilities were covered by collective bargaining agreements.

Health and safety (GRI LA7)

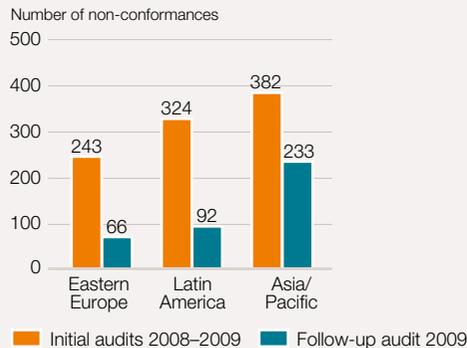
	2009	2008	2007	2006
Number of work-related injuries ¹⁾	1,012	836	1,435	1,170
Injury rate ¹⁾	2.6	2.2	3.2	2.9
Number of workdays lost due to occupational injuries ¹⁾	10,686	18,350	17,469	22,801
Lost day rate ¹⁾	27	48	46	56
Number of work-related fatalities	0	0	1	0

1) Per 200,000 hours worked (TCIR).

Key health and safety data for the Group's operations. In 2009, data was collected covering 51 production facilities and 28 warehouses corresponding to 39,239 employees.

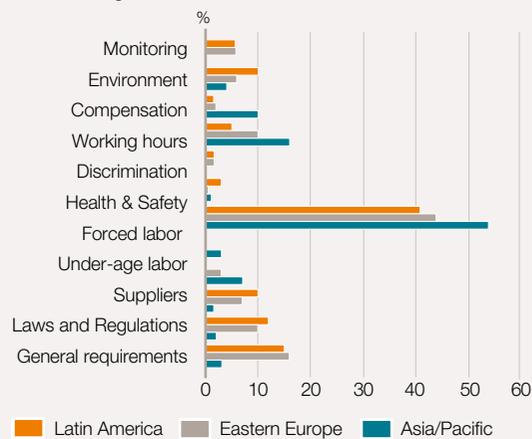
Responsible Sourcing Program

Follow-up audit comparisons



Follow-up audits were carried out at 18 suppliers in Europe, 18 suppliers in Latin America and 23 suppliers in Asia/Pacific during 2009. Initial audits of the same suppliers were completed in 2008 and 2009. The outcome of the audits indicates considerable improvements by most suppliers, and insufficient improvements by a few. One conclusion made by insufficient audit results is that activities other than auditing are required to support further progress among suppliers.

Audit findings



Audit findings from 290 supplier audits conducted during 2009. Health and safety issues are major problem areas in all regions, together with working hour issues. Environmental compliance is a growing concern, mainly due to stricter requirements set by Electrolux.

Issues relating to under-aged labor is mainly a problem in Asia. A majority of cases recorded are related to insufficient protection of authorized minors (16-18 years). In Europe and Latin America under-aged labor issues are related to insufficient recruitment screening. In China, 24 (15) cases of under-aged workers (below 16 years) were uncovered in 2009.

AB Electrolux (publ)

Mailing address

SE-105 45 Stockholm, Sweden

Visiting address

S:t Göransgatan 143, Stockholm

Telephone: +46 8 738 60 00

Telefax: +46 8 738 74 61

Website: www.electrolux.com

Thinking of you

 **Electrolux**